

3.1 Revenue Forecast at Current Rates FY2000 – FY2001

Revenue Forecast FY 2000 through 2001

The forecast of revenues for the period just before the proposed rate period is of importance because it affects the level of cash reserves. The higher those cash balances are, the lower the likelihood that Treasury payments will be missed during the rate period in the event of adverse financial conditions. The revenue forecast for the period FY 2000 through 2001 differs somewhat from the rate period forecast. First of all, the preference customer forecast is divided into East and West hubs and further divided into traditional preference customer categories. The forecast for FY 2000 also includes several months of actual sales information.

In addition to East and West hub sales to traditional preference customers, there are Bulk hub sales which include sales to DSIs, and long-term contract sales to IOUs, marketers, and extraregional customers. Another significant source of revenue is short-term sales made through the Bulk hub. Revenues from sales under the Pacific Northwest Coordination Agreement (PNCA) and to the Bureau of Reclamation (Reclamation) are also tracked in the Bulk hub.

Ancillary and Reserve Products are another source of revenue. Most of these revenues come from sales to the Transmission Business Line (TBL) and are offset by costs that are approximately equal in magnitude. Ancillary and Reserve Products are discussed more fully in the Load and Resource Study, WP-02-FS-BPA-01.

Credits represent another source of revenue. BPA receives credits from the Treasury for payments made to the Colville Tribe, for payments received by the U.S. Army Corps of Engineers (COE) and Reclamation from owners of other downstream projects for benefits provided by COE and Reclamation projects. Treasury credits are provided in accordance with section 4(h)(10)(C) of the Regional Power Act, and BPA also expects to receive some credits from the Fish Cost Contingency Fund (FCCF) during the period prior to the rate period.

Summary of Sales and Revenues by Hub

		FY2000	
		<u>(\$000)</u>	<u>aMW</u>
WEST HUB			
	Generating Publics ¹	245,697	1,295
	NonGen/Fed/other	<u>172,500</u>	<u>948</u>
TOTAL WEST PF		418,197	2,242
	Firm Surplus ¹	<u>79,931</u>	<u>365</u>
TOTAL WEST		498,129	2,607
EAST HUB			
	Generating Publics	72,388	385
	NonGenerating/Fed	<u>161,608</u>	<u>933</u>
TOTAL EAST PF		233,995	1,318
	Firm Surplus	<u>31,948</u>	<u>227</u>
TOTAL EAST		265,944	1,545
BULK HUB			
Industrial Firm		352,469	1,917
NW FPS contracts²		156,157	351
SW FPS contracts		<u>155,035</u>	<u>663</u>
Total Contracted		663,661	2,930
Proj (Actual) Trading Floor Sales			
	Projected Trading Floor Total	609,920	3,198
	Physical Option Fees	<u>2,633</u>	<u>0</u>
Total Trading Floor and Options		612,553	3,198
TOTAL BULK		1,276,214	6,128
OTHER REVENUE			
	Ancillary Products -- TBL	28,781	0
	Ancillary Products -- External	13,620	0
	Reserve Products -- External	2,207	0
Total Ancillary and Reserve Products		44,608	0
	4(h)(10)(c) credit	72,303	0
	FCCF credit	0	0
	Colville settlement	17,840	0
	Corps & Bureau Credits	8,100	0
	Energy Efficiency & Misc.	<u>34,094</u>	<u>0</u>
Total Miscellaneous		132,337	0
	Other Revenue from TBL	7,356	0
	PF PBL Transmission	36,644	0
	PF Exit Fees	<u>9,252</u>	<u>0</u>
Other Revenues		53,252	0
TOTAL OTHER		230,198	0
Other Contractual Obligations		0	543
TOTAL REVENUE		2,270,484	10,823

Summary of Sales and Revenues by Hub

	<u>FY2001</u>	
	<u>(\$000)</u>	<u>aMW</u>
WEST HUB		
Generating Publics ¹	300,892	0
NonGen/Fed/other	<u>180,083</u>	<u>0</u>
TOTAL WEST PF	480,975	0
Firm Surplus ¹	<u>41,950</u>	<u>0</u>
TOTAL WEST	522,925	0
EAST HUB		
Generating Publics	79,630	424
NonGenerating/Fed	<u>179,867</u>	<u>1,036</u>
TOTAL EAST PF	259,497	1,459
Firm Surplus	<u>39,172</u>	<u>264</u>
TOTAL EAST	298,669	1,723
BULK HUB		
Industrial Firm	356,585	2,000
NW FPS contracts²	145,788	329
SW FPS contracts	<u>185,292</u>	<u>774</u>
Total Contracted	687,666	3,103
Proj (Actual) Trading Floor Sales		
Projected Trading Floor Total	394,247	2,308
Physical Option Fees	<u>82</u>	<u>0</u>
Total Trading Floor and Options	394,329	2,308
TOTAL BULK	1,081,995	5,411
OTHER REVENUE		
Ancillary Products -- TBL	28,497	0
Ancillary Products -- External	14,903	0
Reserve Products -- External	4,932	0
Total Ancillary and Reserve Products	48,331	0
4(h)(10)(c) credit	73,303	0
FCCF credit	34,500	0
Colville settlement	18,550	0
Corps & Bureau Credits	8,100	0
Energy Efficiency & Misc.	<u>39,894</u>	<u>0</u>
Total Miscellaneous	174,347	0
Other Revenue from TBL	7,356	0
PF PBL Transmission	38,903	0
PF Exit Fees	<u>9,252</u>	<u>0</u>
Other Revenues	55,511	0
TOTAL OTHER	278,189	0
Other Contractual Obligations	0	510
TOTAL REVENUE	2,181,778	7,644